



**SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEPs)  
FISCAL YEAR 2002  
CLEAN WATER ACT (CWA)**

U.S. EPA REGION 5 - Office of Regional Counsel

(An electronic version of this report is available at: <http://www.epa.gov/region5/orc/reports.htm>)

**Introduction:**

**What are SEPs?**

EPA defines SEPs as environmentally beneficial projects which a defendant/respondent agrees to undertake in settlement of an enforcement action, but which the defendant/respondent is not otherwise legally required to perform. On April 10, 1998, EPA issued its final SEP Policy (available at: <http://www.epa.gov/compliance/civil/seps/>), which sets forth, among other things, uses of SEPs, categories of SEPs, and legal guidelines for SEPs.

SEPs may not be appropriate in settlement of all cases, but they are an important part of EPA's enforcement program. While penalties play an important role in environmental protection by deterring violations and creating a level playing field, SEPs can play an additional role in securing significant environmental or public health protection and improvements. SEPs bring regulated entities above and beyond mere compliance with federal environmental laws. Also, a SEP may be particularly appropriate to further the objectives in the statutes EPA administers and to achieve other policy goals, including promoting pollution prevention and environmental justice. As a general rule, the net costs to be incurred by a violator in performing a SEP may be considered as one factor in determining an appropriate settlement amount. Thus, in some instances, a cash penalty may be lowered if the violator chooses to perform an acceptable SEP.

EPA encourages SEPs that fit into at least one of the following eight categories: 1) Public Health; 2) Pollution Prevention; 3) Pollution Reduction; 4) Environmental Restoration and Protection; 5) Emergency Planning and Preparedness; 6) Assessments and Audits; 7) Environmental Compliance Promotion; and 8) Other Types of Projects that have environment merit but do not fit within the categories listed above. Also, SEPs must be related to the alleged violation. Once a SEP is approved and agreed upon, EPA does not manage the SEP or control the money for the project, but does provide oversight to ensure that the company performs the SEP as agreed.

For a more complete description of EPA's SEP program please visit Region 5 ORC's SEP description Web page at: <http://www.epa.gov/region5/orc/annualreports/sepdescr.htm>.

**ORC's SEP Case Lists**

Below you will find two comprehensive, descriptive lists of all Region 5 enforcement cases concluded in Fiscal Year 2002 that include SEPs as part of the settlement agreement. The first list orders the cases alphabetically; the second list orders the cases by statute.

A few important notes concerning the content and format of these lists will help you, the reader, better understand the information the lists present.

For each case, the lists provide: 1) the name and address of the Defendant or Respondent (the term "Respondent" refers to the party to whom an administrative order was issued or an administrative complaint was served; the term "Defendant" refers to the party in a civil judicial lawsuit against whom relief is sought); 2) the enforcement action identifier number, which is the number the EPA uses to identify the case; 3) the type of SEP, i.e. Pollution Prevention, Pollution Reduction . . . etc., see SEP categories above; 4) the SEP description; 5) the value of the SEP; 6) the applicable statute; 7) the type of order, i.e. civil judicial or administrative; 8) the date of the order; 9) the original and final penalty; 10) the cost of the injunctive relief; and 11) the Quantitative Reductions (estimated), which indicate the estimated amount of pollutant projected to be reduced, eliminated or prevented as a result of the SEP.

As mentioned above, because EPA's SEP policy provides penalty mitigation incentives in those cases involving both a SEP and a monetary penalty, it is not uncommon to find that the penalty has been reduced upon the successful negotiation of the SEP. For this reason, both the original and the final penalties are provided for those cases that include a penalty.

It is also worth noting that this report simply describes the SEP that the Respondent or Defendant agreed to undertake as part of the settlement, it does not indicate whether the SEP has been completed. Accordingly, the "Value of SEP" number may not reflect the actual cost of the SEP; rather, this number represents the projected cost value of the SEP at the time of settlement.

For more information about Region 5 Office of Regional Counsel's FY 2002 end-of-year reports, go to: <http://www.epa.gov/region5/orc/reports.htm>.

## **CWA**

Number of CWA cases with SEPs:	3
Total cost value of SEPs in CWA cases:	\$2,104,500
Value of final penalties in CWA cases with SEPs:	\$552,000
Number of pollution prevention SEPs in CWA cases:	2

### **Aluminum Company Of America, Inc. (ALCOA) 3131 E. Main St. Lafayette, IN**

Enforcement Action Identifier:	05-1998-0638
Attorney/Program Contacts:	William Clune/Sangsook Choi
Type of SEP:	Pollution Prevention/In-Process Recycling
SEP Description:	ALCOA will develop and implement a series of water reduction projects that will reduce the use of process water from several operations.
Value of SEP:	\$2,000,000

Statute:	Clean Water Act
Type of Order:	Consent Decree
Date of Order:	03/28/2002
Original/Final Penalty:	\$550,000/\$550,000
Cost of Injunctive Relief:	\$850,000
Quantitative Reductions (estimated amount):	N/A

**Detroit Lakes , City Of**  
**106 E. Holmes St.**  
**Detroit Lakes, MN**

Enforcement Action Identifier:	05-2002-0127
Attorney/Program Contacts:	Deirdre Tanaka/Eloise Hahn
Type of SEP:	Environmental Restoration and Protection; Pollution Prevention/Process-Procedure Modification; Pollution Reduction; Public Health
SEP Description:	Email sent to program contact- 4/18/06
Value of SEP:	\$32,000
Statute:	Clean Water Act
Type of Order:	Administrative Penalty Order
Date of Order:	11/20/2001
Original/Final Penalty:	\$18,900/\$2,000
Cost of Injunctive Relief:	\$34,000
Quantitative Reductions (estimated amount):	Email sent to program contact- 4/18/06

**PETCO PETROLEUM CORPORATION**  
**Section 9 Township 1 South/Range 2 E**  
**Dix, IL**

Enforcement Action Identifier:	05-2001-0646
Attorney/Program Contacts:	Randa Bishlawi/Mark Vendl
Type of SEP:	Other Program Specific SEP
SEP Description:	PETCO Petroleum Corp. has committed to: 1) design and install an automatic, high level oil field shut-down system at its Dix Injection Facility; 2) relocate tanks and install new tanks; 3) install new gravity line piping associated with the high level oil field shut-downs system; and 4) provide a backup secondary containment at the Dix Injection Facility to prevent oil from reaching a nearby tributary should the field shut-down system fail and the lined pit overflow. The secondary backup containment has an additional purpose—if the gravity line piping from the field to

the injection wells leak at the Dix Injection Facility, the secondary backup containment will prevent oil from reaching the tributary.

Value of SEP:	\$72,500
Statute:	Clean Water Act
Type of Order:	Administrative Penalty Order
Date of Order:	04/18/2002
Original/Final Penalty:	\$136,912/\$15,000
Cost of Injunctive Relief:	\$0
Quantitative Reductions (estimated amount):	N/A